

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2168

December 16, 2011

SUMMARY OF BILL: Requires a combat veteran who is not a Tennessee resident to be classified as out-of-state student when applying to any Tennessee higher education institution. Authorizes a combat veteran, defined as a person who has entered and served honorably in the United States armed forces on active duty in a theater of combat operations during a period of war recognized by the U.S. Department of Veterans Affairs, to pay the in-state tuition rate beginning in the 2012 fall semester.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue - \$3,678,300

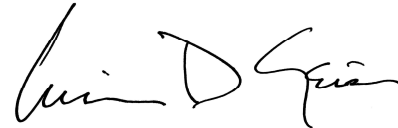
Assumptions:

- The University of Tennessee (UT) and the Tennessee Board of Regents (TBR) do not track the number of enrolled combat veterans. According to the 2010 National Survey of Veterans, administered by the Veterans Administration, 33.9 percent of veterans are currently classified as combat veterans.
- TBR currently has 480 undergraduate veterans who are classified as out-of-state students. Of this number, 163 students will qualify for the tuition discount (480 x 33.9%).
- There are 105 undergraduate combat veterans attending a TBR university. The difference in tuition between in-state and out-of-state undergraduate students at a TBR university is \$13,560 per student. The decrease in state revenue for students attending a TBR university will be \$1,423,800 ($\$13,560 \times 105$).
- There are 58 undergraduate combat veterans attending a TBR community college. The difference between in-state and out-of-state tuition at a TBR community college is \$8,856 per student. The decrease in state revenue for students attending a TBR community college will be \$513,648 ($\$8,856 \times 58$).
- The decrease in state revenue for TBR colleges and universities will be \$1,937,448 ($\$1,423,800 + \$513,648$).
- There are 616 veteran undergraduate students currently enrolled at University of Tennessee Knoxville (UTK). There are no veteran undergraduate students enrolled at UT Chattanooga or UT Martin.
- UT estimates that 500 veteran undergraduate students will be enrolled next year. An estimated 170 students will qualify for the tuition discount ($500 \times 33.9\%$).

- The difference in tuition between in-state and out-of-state undergraduate students at UT Knoxville is \$8,396. The decrease in state revenue for students attending UT Knoxville is \$1,427,320 ($\$8,396 \times 170$ students).
- The decrease in state revenue for undergraduate combat veterans will be \$3,364,768 ($\$1,937,448 + \$1,427,320$).
- TBR estimates that three combat veterans enrolled at the East Tennessee State University (ETSU) College of Medicine will be eligible for the discount. Two students will be eligible in years one or two and one student will be eligible in year three. In years one and two, the out-of-state tuition rate is \$56,000. In year three, the out-of-state tuition rate is \$75,000. For all years, the in-state tuition rate is approximately 50 percent of the out-of-state rate.
- The tuition difference for ETSU College of Medicine in the first two years will be \$28,000. The tuition difference in the third year will be \$37,500. The decrease in state revenue will be \$93,500 ($\$28,000 + \$28,000 + \$37,500$).
- The UT Health Science Center (UTHSC) will have six students eligible for in-state tuition. The difference between in-state and out-of-state tuition rates for UTHSC is \$9,230. The decrease in state revenue will be \$55,380 ($\$9,230 \times 6$).
- The UT College of Veterinary Medicine (UTCVM) will have eight students eligible for in-state tuition. The difference between in-state and out-state tuition rates for UTCVM is \$20,577. The decrease in state revenue will be \$164,616 ($\$20,577 \times 8$).
- The decrease in state revenue for graduate programs will be \$313,496 ($\$93,500 + \$55,380 + \$164,616$).
- Total decrease in state revenue for undergraduate and graduate programs in FY2012-2013 will be \$3,678,264 ($\$3,364,768 + \$313,496$).
- This estimate does not include other TBR or UT graduate or medical programs.
- The number of graduate and undergraduate students who are classified as combat veterans will remain relatively constant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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